



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ADDRESS ALL CORRESPONDENCE TO:
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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

41 August 4, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

August 04, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AGREEMENT BETWEEN THE LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY, AND
ANTELOPE VALLEY-EAST KERN WATER AGENCY TO
INSTALL A VARIABLE FLOW PRESSURE-REDUCING TURBINE
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

This action is to authorize the Director of Public Works or her designee to execute an agreement with the Antelope Valley-East Kern Water Agency for installation of a variable flow pressure-reducing turbine at the Antelope Valley-East Kern Water Agency's facility at Avenue M and 7th Street West in Lancaster. The turbine will generate hydro-electrical power that will be used to offset energy costs associated with operating adjacent wells and pumps owned by the Los Angeles County Waterworks District No. 40, Antelope Valley.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:

1. Find that the action set forth in this Board letter is not a project pursuant to the California Environmental Quality Act.
2. Authorize the Director of Public Works or her designee to execute an agreement with the Antelope Valley-East Kern Water Agency for installation of a variable flow pressure-reducing turbine at the Antelope Valley-East Kern Water Agency's facility at Avenue M and 7th Street West in Lancaster. The turbine will generate hydro-electrical power that will be used to offset energy costs associated with operating adjacent wells and pumps owned by the Los Angeles County Waterworks District No. 40, Antelope Valley.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The execution of this agreement will enable the Los Angeles County Waterworks District No. 40, Antelope Valley, to proceed with the installation of a variable flow pressure-reducing turbine at the Antelope Valley-East Kern Water Agency's facility to generate electricity that would significantly offset energy costs associated with operating adjacent wells and pumps owned by the District. The turbine will replace an existing pressure-reducing valve and in addition will harvest the energy from the reduction of water pressure as a clean green electricity. It is estimated that electricity generated by the turbine would offset about 60 percent of the annual consumption at the site. The turbine will be owned, operated, and maintained by the District.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1) and Integrated Services Delivery (Goal 3). The recommended action will help fulfill these goals by improving the water service reliability for the District's customers in the City of Lancaster.

FISCAL IMPACT/FINANCING

There will be no impact on the County General Fund.

This agreement includes a one-time cost for construction inspection of \$35,000 and an annual cost of \$500 for 30 years for the opportunity to utilize the Antelope Valley-East Kern Water Agency's facility.

Funding for the agreement is included in the District's Accumulated Capital Outlay Fund (N64) and General Fund (N63) Fiscal Year 2015-16 Budgets.

Funds to finance the agreement's future years will be requested through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The enclosed agreement has been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

Execution of the agreement is not subject to provisions of the California Environmental Quality Act (CEQA) Guidelines because it is an activity that is excluded from the definition of a project by Section 15378(b) of CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of the recommended services.

The Honorable Board of Supervisors

8/4/2015

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CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Waterworks Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

AT:dvt

Enclosures

c: Chief Executive Office (Rochelle Goff)
County Counsel
Executive Office

AGREEMENT

This AGREEMENT is effective as of _____ by and between the ANTELOPE VALLEY-EAST KERN WATER AGENCY, established by Chapter 2146 of the 1959 Statutes of the State of California (hereinafter referred to as AGENCY), and the LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY, a public county waterworks district formed pursuant to the County Waterworks District Law (hereinafter referred to as DISTRICT) and together hereinafter referred to as "PARTY" or "PARTIES":

RECITALS

WHEREAS, the DISTRICT provides retail water service to customers located within its service area, all of which is also located within the AGENCY'S boundaries, and the sources of supply for such service include the native groundwater supply and imported water supply, which the AGENCY has obtained from the State Water Project for delivery on a wholesale basis to retail water purveyors within the AGENCY'S boundaries, such as the DISTRICT; and

WHEREAS, on July 13, 2010, the Board of Supervisors of the County of Los Angeles, acting as the governing body of the DISTRICT, authorized the County's Director of Public Works or her designees to execute an agreement with the AGENCY to fund the design and construction of a new water service interconnection at 741 West Avenue M (the "Avenue M Turnout"), to upgrade the then-existing water system interconnection; and

WHEREAS, the AGENCY owns and operates the Avenue M Turnout, through which the AGENCY provides wholesale water deliveries to the DISTRICT; and

WHEREAS, following compliance with the California Environmental Quality Act, the DISTRICT has competitively bid and awarded a design and construction contract to install a variable flow pressure-reducing turbine at the AGENCY'S Avenue M Turnout (hereinafter referred to as PROJECT); and

WHEREAS, the PROJECT will include all engineering and installation of a turbine, generator, switchgear, all electrical/electronic/digital controls for automatic operation, instrumentation, remote monitoring, piping and associated valves, appurtenances, controls, programming, necessary materials and labor, and warranty to deliver a grid-tied fully operational electric generating hydropower system; and

WHEREAS, the PROJECT will offset electric consumption to operate the DISTRICT'S pumps at the site, and the DISTRICT will receive incentives from Southern California Edison when it generates electricity in excess of its own demands at the site; and

WHEREAS, the AGENCY regards the PROJECT as an innovative pilot project and wishes to cooperate with the DISTRICT in the generation of environmentally friendly on-site energy to decrease environmental impacts of using imported energy; and

NOW, THEREFORE, in consideration of the mutual benefits to be derived by both the AGENCY and the DISTRICT, it is hereby agreed as follows:

TERMS

(1) DISTRICT AGREES:

- a. To administer the design and construction contract of the PROJECT and to do all things necessary to complete the PROJECT pursuant to plans and specifications (hereinafter referred to as PLANS), and to act, on behalf of the AGENCY, in all negotiations pertaining to the PROJECT.
- b. To require the contractor selected by the DISTRICT to provide commercial general liability insurance coverage in the amount of at least Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence for personal injury and property damage, which names the AGENCY as an additional insured, and to provide the AGENCY with a certificate of insurance and an endorsement to evidence such coverage.
- c. To obtain and comply with all necessary State, local, or other needed regulatory approvals or applicable permits and environmental documents, including, without limitation, performing all acts required by or in connection with the requirements of the California Environmental Quality Act, for the construction of the PROJECT.
- d. To notify the AGENCY at least seven (7) calendar days in advance of the start of construction of the PROJECT and following completion of construction to thereafter notify the AGENCY at least two (2) days in advance of scheduled maintenance or repair of the PROJECT, provided that in the event of emergency action necessary to protect life or safety to persons or property, the DISTRICT will provide the AGENCY with such advance notice as may be feasible in the circumstance.
- e. To provide inspection during construction of the PROJECT to ensure compliance of the PROJECT with the PLANS, and to allow inspection thereof by the AGENCY to ensure proper connection to AGENCY facilities.
- f. To reimburse the AGENCY for its actual costs incurred to inspect the PROJECT during the course of construction, to approve or disapprove proposed connections to AGENCY facilities at the site, and to provide the AGENCY with a deposit in the amount of Thirty-five Thousand and 00/100

Dollars (\$35,000.00) in advance of commencement of construction to be applied to the estimated expense thereof.

- g. To own and operate the PROJECT and accept all responsibility for maintenance, repair, and replacement of DISTRICT facilities constructed for the PROJECT.
- h. To keep the structure within which PROJECT facilities are located locked at all times during which DISTRICT personnel or agents are not occupying the structure.
- i. To waive and release all claims against the AGENCY, its officers, agents, and employees for loss or damage caused by, arising out of, or in any way connected with the exercise of this AGREEMENT, except for damage to DISTRICT'S facilities resulting from AGENCY'S active negligence or willful act. The DISTRICT agrees to protect, save harmless, indemnify, and defend the AGENCY, its officers, agents, and employees from any and all loss, damage or liability, including, without limitation, all legal fees, expert witness or consultant fees, and expenses related to the response to, settlement of, or defense of any claims or liability which may be suffered or incurred by the AGENCY, its officers, agents, and employees that is caused by, arises out of, or is in any way connected with the DISTRICT'S exercise of rights hereby granted, except those arising out of the sole negligence or willful act of the AGENCY. This indemnity shall include claims arising from stop notices and/or liens arising from work on the PROJECT.
- j. That the DISTRICT shall not encumber, sell, transfer, or assign any PROJECT facilities to any other person or entity without the express written consent of the AGENCY.
- k. In the event of the DISTRICT'S breach of this AGREEMENT which is not cured following notice from the AGENCY and reasonable opportunity to cure, or upon abandonment of the PROJECT by the DISTRICT, or upon the AGENCY'S relocation or abandonment of its Avenue M Turnout, to remove all PROJECT facilities and to restore the AGENCY'S facilities to their pre-existing condition, at the DISTRICT'S expense.
- l. To pay the AGENCY Five Hundred and 00/100 Dollars (\$500.00) within thirty (30) days after execution of this AGREEMENT by the last of the PARTIES to sign it, and within thirty (30) days after each anniversary date thereafter during the term of this AGREEMENT to pay the AGENCY a like amount adjusted by the same percentage as the percentage change in the Consumer Price Index for All Urban Consumers (Los Angeles-Anaheim-Riverside) published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve (12)-month period ending on December 31 of the

immediately preceding calendar year, for the opportunity to install and utilize the DISTRICT'S facility within the AGENCY'S Avenue M Turnout.

(2) AGENCY AGREES:

- a. To allow unrestricted site access to the DISTRICT during construction of the PROJECT, and to provide the DISTRICT with a duplicate key to the AGENCY'S lock on the structure.
- b. Once the PROJECT is completed, to continue to allow unrestricted site access to the DISTRICT for maintenance, repair, or replacement of the turbine.
- c. To provide inspection as deemed necessary by the AGENCY during the course of constructing the PROJECT, to approve or disapprove proposed connections to AGENCY facilities, and to provide a reconciliation of the DISTRICT'S deposit for inspection by the AGENCY after construction of the PROJECT is complete.
- d. To reimburse DISTRICT for its actual costs incurred to repair its facilities resulting from AGENCY'S active negligence or willful act that causes such damage, provided that this indemnity shall not include lost profits or consequential damages resulting from DISTRICT'S loss of use of the facilities.

(3) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. All costs associated with design, construction, operation, and maintenance of the PROJECT will be paid and funded by the DISTRICT.
- b. That the provisions of any General Services Agreement or Assumption of Liability Agreement shall not apply to this AGREEMENT or the PROJECT.
- c. This AGREEMENT may not be amended or modified except by a writing executed by both PARTIES.
- d. The persons executing this AGREEMENT on behalf of each of the PARTIES warrant and represent that they have the authority to execute this AGREEMENT on behalf of the PARTY for whom they execute and have the authority to bind the PARTY to the obligations hereunder.
- e. The PARTIES are, and at all times shall remain as to each other, wholly independent entities. No PARTY to this AGREEMENT shall have the power to incur any debt, obligation, or liability on behalf of any other PARTY unless expressly provided to the contrary by this AGREEMENT. No employee, agent, or officer of a PARTY shall be deemed for any purpose whatsoever to be an agent, employee, or officer of the other PARTY.

- f. This AGREEMENT contains the entire understanding of the PARTIES related to their interests, obligations, and rights in connection with the subject matter set forth herein. All prior communications, negotiations, stipulations, and understandings, whether oral or written, are of no force or effect, and are superseded, except as referenced herein.
- g. This AGREEMENT and its validity, construction, and effect shall be governed by the Laws of the State of California applicable to contracts executed and wholly performed therein. In the event of any legal action on this AGREEMENT, the venue for such action shall be in Los Angeles County, California.
- h. This AGREEMENT has been jointly drafted by the PARTIES, through their attorneys and any rule of construction to interpret ambiguities against the drafter of the document shall not apply to any PARTY.
- i. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

AGENCY: Mr. Michael Flood
Assistant General Manager/Agency Engineer
Antelope Valley-East Kern Water Agency
6500 West Avenue N
Palmdale, CA 93551-2855
(661) 943-3201

DISTRICT: Mr. Ahmet Tatlılioglu
Associate Civil Engineer
County of Los Angeles Department of Public Works
Waterworks Division
900 South Fremont Avenue
Alhambra, CA 91803
(626) 300-3354

(4) TERM

The term of this AGREEMENT shall be for a period of thirty (30) years from the date of execution of the last of the PARTIES to sign it, provided that the term may be extended beyond such term by written instrument executed by both PARTIES hereto.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by the ANTELOPE VALLEY-EAST KERN WATER AGENCY on _____, 2015, and by the LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY, on _____, 2015.

ANTELOPE VALLEY-EAST KERN
WATER AGENCY

LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40, ANTELOPE VALLEY

By _____

By _____

APPROVED AS TO FORM:

MARY WICKHAM
Interim County Counsel

By  _____
Deputy